



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

April 4, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **WEINGART CENTER ASSOCIATION – A DEPARTMENT OF PUBLIC
SOCIAL SERVICES GENERAL RELIEF OPPORTUNITIES FOR WORK
PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a program, fiscal, and administrative contract review of Weingart Center Association (Weingart or Agency), which covered a sample of transactions from Fiscal Years (FY) 2010-11 and 2011-12. The Department of Public Social Services (DPSS) contracts with Weingart, a non-profit organization, to provide General Relief Opportunities for Work (GROW) Program services. GROW Program services include Orientation, Rapid Employment and Promotion activity, and Job Skills Preparation Classes.

The purpose of our review was to determine whether Weingart appropriately accounted for and spent GROW Program funds to provide the services outlined in their County contracts. We also evaluated the adequacy of the Agency's accounting records, internal controls, and compliance with their contracts and other applicable guidelines.

DPSS paid Weingart approximately \$1.3 million on a fixed-fee basis during FY 2011-12. Weingart provides services to residents of the First Supervisorial District.

Results of Review

Weingart provided services to eligible individuals, recorded and deposited DPSS payments timely, and Agency staff had the required qualifications. We have no findings or recommendations for the Agency. However, we noted that from May 2011 to April

2012, the Agency did not spend \$77,746 in GROW Program funds received from the County. We noted Weingart's contract does not have provisions requiring the Agency to return or reinvest unspent GROW Program funds, or reimburse the County for disallowed costs. These provisions are necessary to ensure Program funds are spent for their intended purpose. DPSS indicated they are currently re-soliciting the GROW contracts and have incorporated County Counsel approved provisions for providers to return unspent funds and reimburse the County for disallowed costs.

Details of our review are attached.

Review of Report

We discussed our report with Weingart and DPSS on January 30, 2013. Weingart is not required to submit a response to this report, because there are no findings or recommendations.

We thank Weingart management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:AA:JS

Attachment

c: William T Fujioka, Chief Executive Officer
Sheryl L. Spiller, Director, Department of Public Social Services
Richard Simitian, Board Chair, Weingart
Kevin Murray, President & CEO, Weingart
Public Information Office
Audit Committee

**WEINGART CENTER ASSOCIATION
GENERAL RELIEF OPPORTUNITIES FOR WORK PROGRAM
FISCAL YEARS 2010-11 AND 2011-12**

ELIGIBILITY

Objective

Determine whether Weingart Center Association (Weingart or Agency) provided services to individuals who met the General Relief Opportunities for Work (GROW) Program eligibility requirements.

Verification

We reviewed the case files for 40 (5%) of the 737 participants who received services during April and May 2012 for documentation to confirm their eligibility for GROW Program services.

Results

Weingart had documentation to support all 40 participants' eligibility for GROW Program services.

Recommendation

None.

PROGRAM SERVICES

Objective

Determine whether Weingart provided the services required by their County contract and GROW Program guidelines, and whether the Program participants received the billed services.

Verification

We visited Weingart's two service sites, and reviewed the case files for 40 (5%) of the 737 participants who received services during April and May 2012.

Results

Weingart provided services in accordance with their County contract.

Recommendation

None.

STAFFING QUALIFICATIONS

Objective

Determine whether Weingart staff had the qualifications required by their County contract.

Verification

We reviewed the personnel files for eight (28%) of the 29 Weingart employees who worked on the GROW Program.

Results

Weingart's staff had the required qualifications.

Recommendation

None.

CASH/REVENUE

Objective

Determine whether Weingart recorded revenue in the Agency's financial records properly, deposited cash receipts into their bank accounts timely, and that bank account reconciliations were reviewed and approved by Agency management.

Verification

We interviewed Weingart management, and reviewed the Agency's financial records and May 2012 bank reconciliation.

Results

Weingart recorded revenue in their financial records properly, deposited Department of Public Social Services (DPSS) payments into the Agency's bank account timely, and prepared monthly bank reconciliations appropriately.

Recommendation

None.

UNSPENT REVENUE

DPSS compensates Weingart monthly on a fixed fee basis. Weingart received \$1,318,392 from DPSS for the GROW Program from May 2011 to April 2012. However, the Agency's expenditures totaled \$1,241,646 which resulted in \$77,746 (\$1,318,392 - \$1,241,646) in unspent Program funds. We noted Weingart's contract does not have provisions requiring the Agency to return or reinvest unspent GROW Program funds, or reimburse the County for disallowed costs. These provisions are necessary to ensure Program funds are spent for their intended purpose. DPSS indicated they are currently re-soliciting the GROW contracts for all of their providers and have incorporated County Counsel approved provisions to ensure all providers will be required to return unspent funds and reimburse the County for disallowed costs.

Recommendation

None.

EXPENDITURES/PROCUREMENT**Objective**

Determine whether expenditures charged to the GROW Program were allowable under the County contract, properly documented, and accurately billed.

Verification

We interviewed Weingart's personnel, and reviewed financial records for 16 non-payroll expenditures, totaling \$13,453, that the Agency charged to the GROW Program from January through May 2012.

Results

Weingart's expenditures were allowable, properly documented, and accurately billed.

Recommendation

None.

FIXED ASSETS AND EQUIPMENT**Objective**

Determine whether Weingart's fixed assets and equipment purchased with GROW funds were used for the Program, and were adequately safeguarded.

Verification

We interviewed Agency personnel, and reviewed the Agency's fixed assets and equipment inventory list. We also performed a physical inventory of 15 items purchased with GROW funds in prior years to verify the items exist, and were being used as required.

Results

The items purchased with GROW funds were used for the Program, and were adequately safeguarded.

Recommendation

None.

PAYROLL AND PERSONNEL**Objective**

Determine whether Weingart charged payroll costs to the GROW Program appropriately, and maintained personnel files as required.

Verification

We reviewed the Agency's financial records, and compared the payroll costs for eight employees, totaling \$19,551, for May 2012 to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for the eight Weingart GROW Program staff.

Results

Weingart appropriately charged payroll costs to the GROW Program, and maintained personnel files as required.

Recommendation

None.

COST ALLOCATION PLAN**Objective**

Determine whether Weingart prepared their Cost Allocation Plan (Plan) in compliance with their County contract, and used the Plan to allocate shared costs appropriately.

Verification

We reviewed Weingart's Plan, and a sample of expenditures from January through May 2012.

Results

Weingart prepared its Plan in compliance with the County contract, and the Agency allocated their shared costs appropriately.

Recommendation

None.